



Home Prices in Kings County, WA

What factors influence the sale price of a home?

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Agenda

1. Problem Statement
2. Home attribute analysis
 - a. Grade
 - b. Square footage
3. Zip code analysis (Location, Location, Location)
4. Conclusions
5. Future work

The problem asked through four different lenses...

Buyer

How can I negotiate the lowest sale price for the home that meets all of my criteria?

Seller

How can I negotiate the highest sale price for my home?

Real Estate Agent #1

Buy side - What data and negotiating tactics can I use to get the **lowest** sale price?

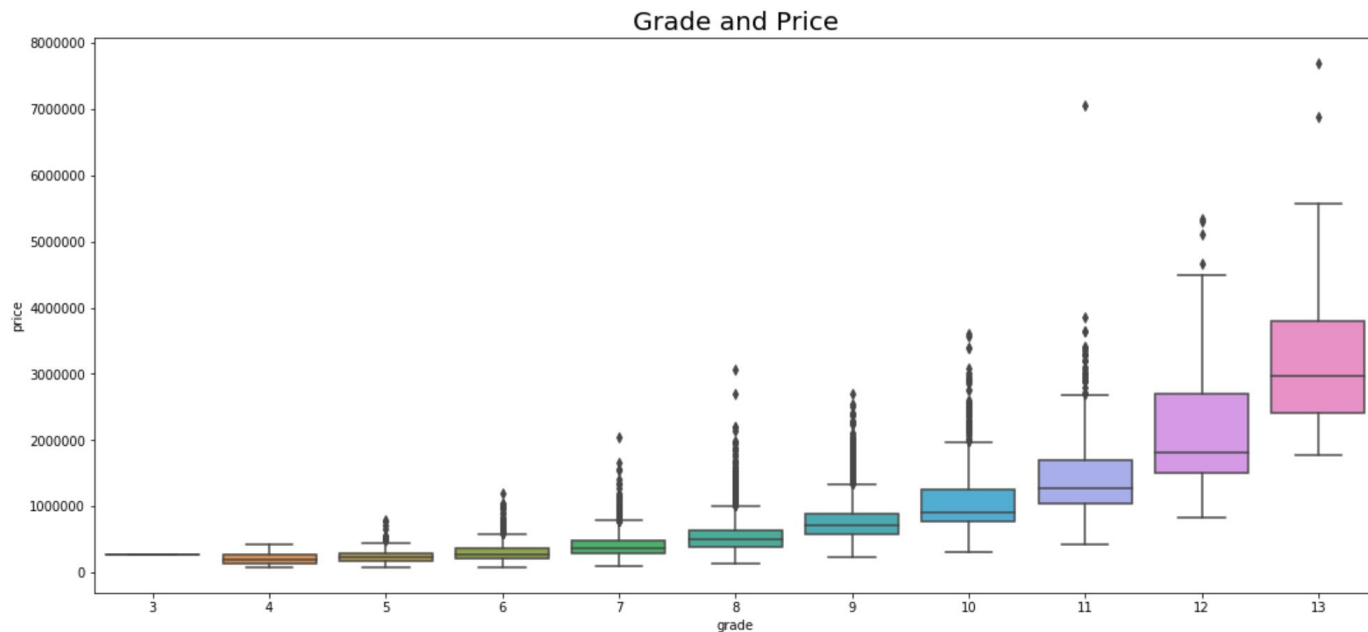
Real Estate Agent #2

Sell side - What data and negotiating tactics can I use to get the **highest** sale price?

Universal Questions

1. What factors have the greatest effect on the sale price of a home in Kings County, WA?
2. What is the median home sale price in each zip code?
3. How does sale volume vary per zip code?

Grade



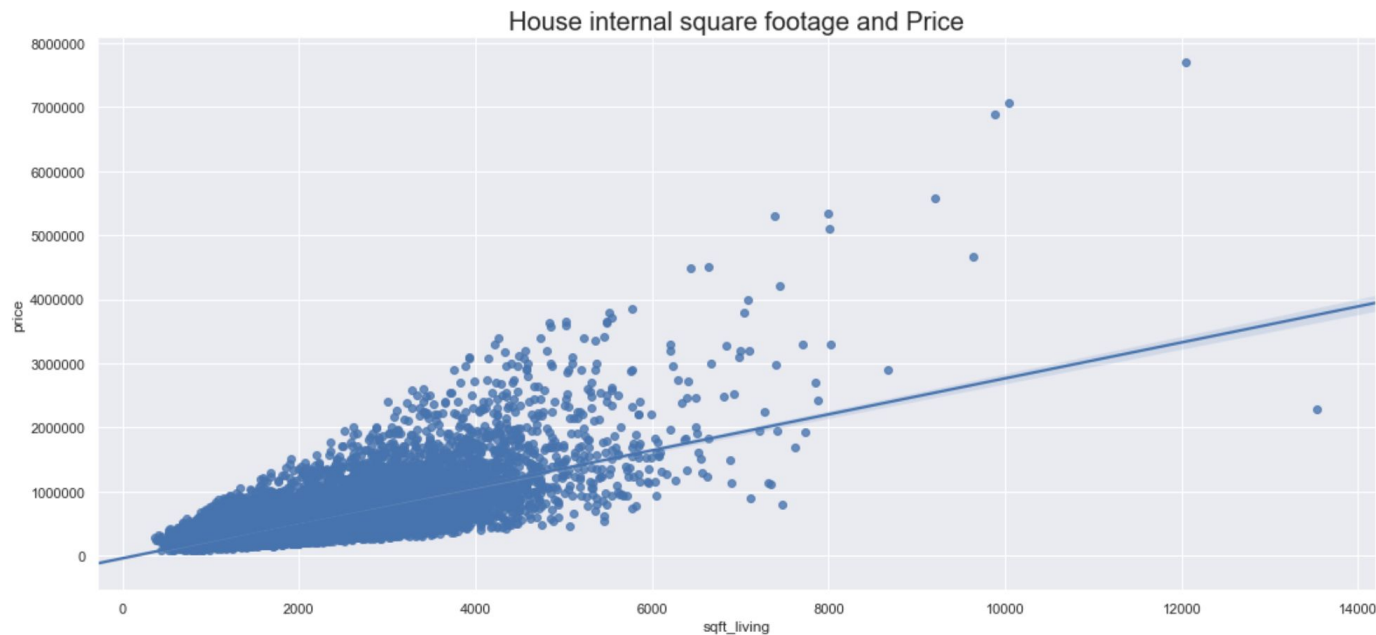
Seller: Explore low-cost/tangible ways to increase the grade of the home.

Buyer: Downplay the importance of grade in your decision to choose a home.

Sell-side agent: Explain grade as an industry-standard indicator of desirability and home quality.

Buy-side agent: Hint that buyer will have to make costly renovations to home post sale regardless of grade.

Square footage



Seller: Decide whether emphasizing square footage works in your favor or not.

Buyer: Downplay importance of square footage and cite other features that detract from the home value.

Sell-side agent: Provide favorable comparisons of similar sized homes that have sold close to asking price.

Buy-side agent: Explain to sell-side agent that buyer is considering multiple homes of varying size.

Zip code analysis - “Location, Location, Location”

Median sale price by Zip Code

- Useful to determine budget for home owners new to the area
- Pros: Can be used to justify higher listing price
- Cons: Does not consider attributes of the specific home

Home sale volume by Zip Code

- Buyer vs. Seller market indicator (deal leverage)
- Pros: Broad indicator of economic trends in the area
- Cons: No correlation between volume and home sale price

Conclusions

1. Grade and square footage have the largest positive effect on home sale price.
2. Using Zip Codes to justify home sale price has its limitations.
3. Both sides have access to the data- the advantage goes to the side that knows how to use it.

Future work

- Analysis of “invisible factors” involved in a real estate transaction
- School district ratings and zoning analysis
- COVID-19 effect on home sales
- Crime statistics

Thank You!

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Appendix

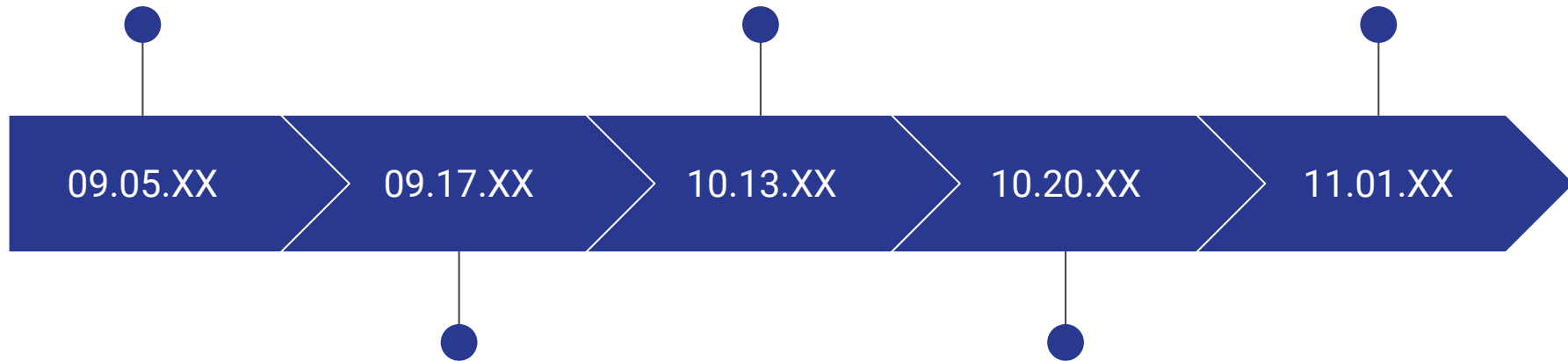
- More models

Implementation

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The team

